

INTERAGENCY AGREEMENT

STD 13 REV 8/76

2-118-225-0
DOC No. 2-86

THIS AGREEMENT is entered into this 14th day of May, 1983,
by and between the undersigned State Agencies:

(Set forth services, materials, or equipment to be furnished, or work to be performed, and by
with time for performance including the terms, date of commencement and date of comple-
tion, and provision for payment per 1212.1-1212.2 and 8760-8760.2 SAM.)

Distribution:

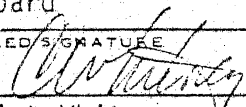
Agency providing services
Agency receiving services
Department of General Services
(unless exempt from DGS approval)
Controller

1. Subject to the award of and receipt of grant funds through the U. S. Environmental Protection Agency (EPA), the State Water Resources Control Board (State Board) agrees to allocate and provide such funds to the Department of Conservation (DOC), Division of Oil and Gas (Division) for the administration of the Class II portion of the Underground Injection Control Program in California in accordance with the terms and conditions contained herein and all exhibits and addenda attached hereto.
2. The following documents are hereby incorporated and made a part of this agreement by reference.

Exhibit "A", consisting of six (6) sheets, entitled General Provisions;
Exhibit "B", consisting of ten (10) sheets, entitled Memorandum of Agreement between Division and EPA;
Exhibit "C", consisting of seven (7) sheets, entitled Memorandum of Agreement between State Board, DOC, and Division;
Exhibit "D", consisting of one (1) sheet, entitled Estimated Budget.
3. This agreement shall take effect March 14, 1983, the date notice of the Underground Injection Control Class II program approval was published in the Federal Register following approval of the agreement by the Department of General Services, and remain in effect through June 30, 1984, unless terminated pursuant to applicable provisions of this agreement.

NAME OF STATE AGENCY
State Water Resources Control Board

CALLED ABOVE (SHORT NAME)
State Board

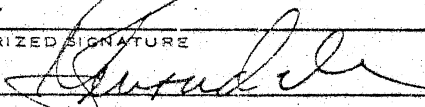
AUTHORIZED SIGNATURE


TITLE
Clint Whitney
Executive Director

1983
Interagency
Agreement

STATE AGENCY
Department of Conservation

CALLED ABOVE (SHORT NAME)

AUTHORIZED SIGNATURE


TITLE
Kent Borrowdale, Fiscal Officer

(Continued on _____ sheets which are hereby attached and made a part hereof)

DEPARTMENT OF GENERAL SERVICES
USE ONLY

AMOUNT ENCUMBERED
\$ 57,783.00

FUND
SERF

APPROPRIATION
SERF

UNENCUMBERED BALANCE
\$

ITEM
27.5

CHAPTER
326

STATUTES
1982

FISCAL YEAR
1982-83

ADJ. INCREASING ENCUMBRANCE
\$

FUNCTION
(Fed. UIC Grant)

ADJ. DECREASING ENCUMBRANCE
\$

LINE ITEM ALLOTMENT
0225 382 120-11 \$57,783.00

I Hereby Certify upon my own personal knowledge that
budgeted funds are available for this encumbrance.

T.B.A. NUMBER

B. R. NUMBER

SIGNATURE OF ACCOUNTING OFFICER

DATE
6/27/83

I hereby Certify that all conditions for exemption set forth in State Administrative Manual Section 1209 have
been complied with and this document ☒ is exempt ☐ is not exempt from review by the Department of Finance.

SIGNATURE OF OFFICIAL SIGNING ON BEHALF OF AGENCY

DATE
6/27/83

☒ X 

EXHIBIT "A" TO
WATER RESOURCES CONTROL BOARD
INTERAGENCY AGREEMENT NO. 2-118-225-0

GENERAL PROVISIONS

A. General

1. This agreement shall be funded through grants provided by the United States Environmental Protection Agency and administered by the California State Water Resources Control Board, to support partially the cost of the Class II portion of the Underground Injection Control program administered by the California Division of Oil and Gas, Department of Conservation.
2. Standard Form No. 13 provisions, the Exhibits and Attachments incorporated thereby, and changes thereto, are essential terms of this agreement and complement, describe and provide for completion of services.
3. Unless otherwise provided herein, any inconsistency in this agreement shall be resolved by giving precedence in the following order: 1) Standard Form No. 13; 2) Exhibit A; 3) Exhibit B; 4) Exhibit C; 5) Exhibit D.

B. Definitions:

1. The term "State Board" means the California State Water Resources Control Board, acting by and through its authorized representative.
2. The term "Division" means the Division of Oil and Gas, Department of Conservation, acting by and through its authorized representative. Reference to "Division" shall also constitute reference to the Department of Conservation.
3. The term "EPA" means the United States Environmental Protection Agency, acting by and through its authorized representative (EPA Region 9).

4. The term "SDWA" means the United States Safe Drinking Water Act.
5. The term "UIC" means the EPA's Underground Injection Control program.
6. The term "Class II program" means the Class II portion of the Underground Injection Control program.
7. The terms "Program Coordinator" and "Program Representative" mean the representatives of the Division and State Board, respectively, designated and authorized to act in their behalf.
8. The term "PRC" means the California Public Resources Code.

C. Designation of Program Officials:

1. The Division's Program Coordinator shall be Robert Reid. The Division's Program Coordinator shall be the Division's representative, responsible for statewide Class II program oversight and shall be the coordinator for those procedural activities between the Division and the State Board described in Exhibit C.
2. The State Board's Program Representative shall be Jack Hodges. The State Board's Program Representative shall be the Board's representative responsible for coordinating the Class II program activities of the State Board through its Regional Water Quality Control Boards, and for providing liaison between the State Board and the Division.
3. Either party may change its program official at any time on written notice to the other.

D. Program Background and Contractual Relations of the Parties:

1. Section 1425 of the SDWA permitted the EPA to delegate primacy for protecting underground sources of drinking water from endangerment by subsurface fluid injection and disposal of oilfield waste water to states who demonstrate acceptable injection control programs.
2. In accordance with Section 1425(a) of the SDWA, an application was filed by the Division with the EPA demonstrating California's ability to prevent degradation to underground sources of drinking water through its existing underground injection control program.

3. The Division's demonstration was accepted and a Memorandum of Agreement, Exhibit B, was provided by the EPA which delegated primary responsibility and authority (primacy) to the Division to administer the Class II program in California, including injection wells drilled and operated on Federally owned lands, except Indian lands. Specific instructions and procedures for administering the Class II program are prescribed in Exhibit B.
4. Interagency procedures adopted by the State Board and Division to coordinate statutory responsibilities and standardize program administrative transactions, are prescribed in State Board Memorandum of Agreement, Exhibit C.
5. Administration of the Class II program pursuant to the conditions of the Memorandum of Agreement between EPA and the Division will require expansion of the Division's current well inspection and reporting activities. The State Board has acknowledged the Division's need for additional support resources and has submitted an application to the EPA for funds to administer the Class II program.
6. Nothing in this agreement shall be construed to restrict or violate either party's statutory responsibilities, to alter any of the requirements of the SDWA, or to circumvent any procedural directives established by the EPA to effectively administer the Class II program.

E. Prosecution of the Work:

1. This agreement is contingent on EPA's approval on the State Board's initial grant application and any subsequent applications, and the distribution of such funds to the Division as required by the Division for administering the Class II program. In the event that funds provided by the EPA are not entirely adequate to support both the Division's Class II well injection and reporting activities and the State Board's administration of the other classes of injection under the UIC program, the State Board shall distribute such funds in an equitable manner.
2. Initial funding for this agreement is contingent upon EPA approval of a grant totaling \$79,964.00. Continuation of work beyond the initial level of funding shall be contingent upon the availability of funding through future grants approved by EPA.
3. Also, the agreement shall have no force or effect unless and until this agreement has been reviewed and approved by the Department of General Services.

4. All work performed under this agreement shall be as prescribed in Exhibit C and in accordance with the conditions and procedures established by the EPA in Exhibit B for the administration of the Class II program.

F. Changes, Amendments, Term, and Termination:

1. Changes to Exhibit C concerning coordinated application, review, permitting, and reporting procedures adopted by the State Board and Division, may be proposed in writing at any time by either party or their authorized representative provided that any change does not conflict with any similar procedures or requirements established by the EPA in Exhibit B, and is consistent with applicable State statutes, laws and regulations. Such proposals, when approved by the State Board and Division, shall be incorporated and made a part of Exhibit C by attachment thereto.
2. Any change to Exhibit B may also be proposed by either party provided the change is reasonable, and will contribute to efficient and effective management of the Class II program. Recommended changes to Exhibit B shall be submitted by the Division to EPA for consideration. If approved by the EPA, the change shall be incorporated and made a part of the exhibit by attachment.
3. If a change results in an increase in funding or serves to extend the period of performance under this agreement, the agreement shall be amended to reflect the necessary modification. Any such amendment to this agreement shall not be effective until approved by, or exempted from approval by, the Department of General Services.
4. This agreement shall take effect March 14, 1983, the date notice of the Underground Injection Control Class II Program approval was published in the Federal Register, following approval of the agreement by the Department of General Services, and remain in effect through June 30, 1984. Also, the term of this agreement may be extended annually to cover subsequent fiscal year periods by issuing amendments thereto.
5. The agreement may be terminated by either party by written notice in the event of substantial failures by the other party to fulfill its obligations under this agreement through no fault of the terminating party.

G. Audits and Records:

The Division agrees to maintain an adequate system for financial management, property management, and audit. Also, to maintain, preserve, and make

available to the EPA and the State Board for the purpose of inspection and Class II program evaluation, those records, including applications, permits and hearing documents collected and used in the administration of the Class II program. Information subject to a claim of confidentiality shall be treated in accordance with instructions governing the inspection and use of such material defined in Section 3234, PRC.

H. Payments and Funding:

1. The State Board agrees to reimburse the Division an amount equal to the latter's cost of performance hereunder computed in accordance with Section 8760 of the State Administrative Manual. In no event shall the total amount paid to the Division under this agreement exceed one hundred and seventy-one thousand, forty-five dollars (\$171,045.00), including all applicable State and local sales and use taxes. Nothing herein contained shall preclude advance payments pursuant to Article 1, Chapter 3, Part 1, Division 3, Title 2, Government Code.
2. The Division shall provide written notice to the State Board's Program Representative thirty (30) days in advance of any proposed rate changes for direct and indirect costs associated with the work to be performed under this agreement.
3. The State Board shall pay the Division in arrears, on a monthly basis, upon submittal of invoices which properly detail all charges and expenses incurred in performance of this agreement. The Division's direct and indirect costs and expenses shall be incurred in accordance with and to the extent permitted within the limitations set forth in Exhibit D to this agreement. Such invoices shall be submitted in triplicate to the State Board's Program Representative, Mr. Jack Hodges, State Water Resources Control Board, Division of Technical Services, P.O. Box 100, Sacramento, CA 95801. All invoices shall be subject to approval by the State Board's Program Representative.
4. Inasmuch as the funding for this agreement will be allocated to the Division by the State Board from Federal grant moneys provided by the EPA to the State Board for distribution, the following statements are appropriate:
 - a. It is mutually understood between the parties that this agreement may have been written before ascertaining the availability of EPA grant funds for the mutual benefit of both parties in order to avoid Class II program and fiscal delays which would occur if the agreement were executed after that determination was made.
 - b. This agreement is valid and enforceable only if sufficient funds are available for distribution to the Division by the State Board through grants provided by the EPA for administrative support of

the Division's Class II program. In addition, this agreement is subject to any additional restrictions, limitations, or conditions enacted by the Congress.

- c. It is mutually agreed that if the funds provided by the EPA for the UIC program are insufficient to fully administer the Class II program, the State Board shall immediately give written notice to the Division and this agreement shall be amended to reflect any acceptable reduction of funds.
5. The Division shall maintain such records as are necessary to verify all expenditures of grant funds and shall submit an annual statement of expenditures to the State Board at the end of each fiscal year in which such funds were expended. All records shall be available at reasonable times for inspection by the State Board or any designated representative, upon request, and shall be retained for three (3) years following the terminal date of this agreement and of each and any amendment serving to extend the term of this agreement.

I. Equipment:

Any equipment purchased by the Division with funds provided under this agreement in furtherance of the purposes of this agreement shall be the property of the Division. Title to equipment purchased pursuant to this agreement shall vest in the Division.

Underground Injection Control Program
Memorandum of Agreement
Between
California Division of Oil and Gas
and
the United States Environmental Protection Agency
Region 9

I. General

This Memorandum of Agreement ("Agreement") establishes the responsibilities of and the procedures to be used by the Division of Oil and Gas ("Division") and the United States Environmental Protection Agency ("EPA") in administration of wells in the Class II portion ("Class II program") of the Underground Injection Control ("UIC") program in California. In general, this Agreement supplements the program described in the demonstration submitted in accordance with Section 1425(a) of the Safe Drinking Water Act ("1425 demonstration").

After it is signed by the Supervisor and the Regional Administrator, this Agreement shall become effective on the date notice of the Class II program approval is published in the Federal Register. The parties will review this Agreement at least once each year during preparation of the annual program update, during the State-EPA agreement ("SEA") process or at other times as appropriate (e.g. at mid-year review). The annual SEA shall be consistent with this Agreement and may not override this Agreement.

This Agreement may be modified upon the initiative of either party in order to ensure consistency with State or Federal statutory or regulatory modifications or supplements, or for any other purpose mutually agreed upon. Any such modifications or supplements must be in writing and must be signed by the Supervisor and Regional Administrator.

This Agreement shall remain in effect unless EPA determines that the Division's 1425 demonstration is no longer valid. Such a determination by EPA will be in accordance with Section 1425(c) of the Safe Drinking Water Act ("SDWA").

Nothing in this Agreement shall be construed to alter any requirements of SDWA or to restrict EPA's authority to fulfill its oversight and enforcement responsibilities under SDWA or other Federal laws, or to restrict the Division's authority to fulfill its responsibilities under State statutes. Nothing in this Agreement shall require or be construed to require EPA to violate Federal law or the Division to violate State law.

II.

A. Policy Statement

The purpose of the UIC program is to prevent any underground injection that endangers an underground source of drinking water ("USDW").

The Division has primary responsibility and authority over all Class II injection wells in the State of California. This includes Class II wells drilled and operated on Federally owned lands, but does not include such wells on Indian lands. The Division is responsible for administering the Class II program including but not limited to reports, permits, monitoring and enforcement actions. Implementation of the Class II program will be as described in the 1425 demonstration and will be supported by an appropriate level of staff and resources.

The Supervisor and the Regional Administrator agree to maintain a high level of cooperation and coordination between Division and EPA staff to assure successful and effective administration of the Class II program.

The Division shall promptly inform EPA of any proposed or pending modifications to laws, regulations, or guidelines, and any judicial decisions or administrative actions that might affect the program and the Division's authority to administer the program. The Division shall promptly inform EPA of any resource allocation changes (e.g. personnel, budget, equipment) that might affect its ability to administer the program.

EPA shall promptly notify the Division of the issuance, content, and meaning of Federal statutes, regulations, guidelines, standards, judicial decisions, policy decisions, directives, and other factors (including budgetary changes) that might affect the Class II program.

B. Information Sharing

1. Division

The Division agrees that all information and records obtained or used in the administration of the Class II program including all UIC permit files shall be available for inspection by EPA or its authorized representative upon request. Division records may be copied by the EPA only when they are required by EPA to bring an enforcement action or for other such specific purpose. Any information obtained from the Division by EPA that is subject to a claim of confidentiality shall be treated by EPA in accordance with EPA regulations governing confidentiality (40 CFR Part 2 and 40 CFR 122.19).

The Division shall retain records used in the administration of the program for at least three years (40 CFR 30 and 40 CFR 35). If an enforcement action is pending, then all records pertaining to such action shall be retained until such action is resolved or the previously mentioned time period is met.

2. EPA

Copies of any written comments about the Division's program administration received by EPA from regulated persons, the public, and Federal, State, and local agencies will be provided to the Supervisor within thirty (30) days of receipt.

3. Emergency Situations

Upon receipt of any information that any Class II injection operation is endangering human health or the environment and requires emergency response, the party in receipt of such information shall immediately notify by telephone the other party of the existence of such a situation.

C. Permits

1. Division

Within 10 working days of receipt, the Division shall provide a written response to any written notice of intent to commence drilling.

2. EPA

Upon receipt by EPA, any Class II permit application and supporting information shall be immediately forwarded to the Division.

Some facilities and activities may require permits from the Division and EPA (and/or other State agencies) under different programs. When appropriate, the Division and EPA will participate in a joint permit processing procedure. The procedure will be developed on a case by case basis.

D. Compliance, Monitoring and Enforcement

1. Division

The Division shall adhere to the compliance monitoring, tracking, and evaluation program described in the 1425 Demonstration. The Division shall maintain a timely and effective compliance monitoring system including timely and appropriate actions on non-compliance.

Each year, 100% of the disposal wells will be inspected for mechanical integrity.

2. EPA

EPA shall conduct periodic site and activity inspections on injection operations, giving priority to operations having the greatest potential to endanger public health.

EPA may participate with the Division in the inspection of wells or operator records. EPA shall notify the Division usually at least ten (10) days prior to any proposed inspection and shall describe the well(s) or record (s) to be inspected and the purpose of such inspection. If the Division fails to take adequate enforcement action against a person violating the requirements for a Class II well, EPA may take Federal enforcement action. Federal enforcement actions will be in accordance with the State, facility and public notification procedures in Section 1423 of SDWA.

3. Emergency Situations

Situations endangering human health will receive immediate and paramount attention by the Division and EPA. The party with initial knowledge of such situation shall immediately notify the other party by telephone.

E. Program Review and Evaluation

1. Division

The Division shall provide EPA with an annual report on the recent operation of the Class II program. Specific contents of the report are described in Attachment #1 and may be renegotiated from time to time. The period to be covered by the annual report shall be the calendar year ending December 31, with reports completed and available to EPA no more than 60 days later (March 1).

In addition, the Division shall provide a separate report of preventive actions taken by operators of new Class II wells. At minimum, this report shall include:

- a. the number and general type (e.g. injection pressure limit) of preventive actions proposed in the applications;
- b. the number and general type of preventive actions actually taken; and

- c. if necessary, a brief summary explaining the reason(s) for any differences between proposed and actual preventive actions (e.g., pending actions).

The report is due within 3 months after the second anniversary of the effective date of this Agreement. The final format will be negotiated at least 3 months prior to the due date.

If the Division proposes to allow any mechanical integrity tests other than those specified or justified in the 1425 Demonstration, the Division shall provide in advance to EPA sufficient information about the proposed test that a judgment about its usefulness and reliability can be made.

2. EPA

EPA shall conduct mid-year evaluations at least during the first 2 years of the Division's operation of the program. In part, the mid-year evaluations will be based on the reports provided above. At least 10 days prior to the evaluation, EPA shall notify the Division regarding the information, material, and program areas that will be covered. This may include selected permit files, budget records and public notification and complaint files. The evaluation may be conducted at either the Division's headquarters or one of its district offices.

F. Public Participation

1. Division

The Division shall provide adequate public notice for its proposed actions as described in the Division's 1425 Demonstration. At minimum, the Division shall provide a 15 day public comment period, and make the non-confidential portions of the project plan and the representative Report on Proposed Operations available for review. If the Supervisor determines that a public hearing is necessary, public notice shall be provided at least 30-days prior to the public hearing.

If there are any substantial changes to the approved project plan or representative Report on Proposed Operations, additional public notice will be provided. Examples of substantial changes include significant increases in injection pressures, changes in injection zone, or significant changes in injection fluid.

Copies of such notices shall also be sent to:

- a. Director, Water Management Division, EPA-Region 9;

- b. Chairperson, State Water Resources Control Board; and
- c. Chairperson of the affected Regional Water Quality Control Board.

The Division's final decision on proposed actions shall contain a response to comments that summarizes the substantive comments received and the disposition of the comments. This shall become a part of that particular project file.

At a minimum, the Division shall apply these public participation procedures to applications for new underground injection projects, significant modifications to existing permits, and to aquifer exemptions.

2. EPA

EPA shall participate at any scheduled public hearing at the request of the Division. Such requests shall be made at least 10 days prior to the hearing.

Any appropriate comments on the proposed action shall be made by EPA within the normal fifteen day comment period. The exception is the designation of exempted aquifers (see the section on Aquifer Exemptions).

G. Program Revision

A program revision may be necessary when the Division's or EPA's statutory authority is modified or when there is a substantial modification to the program. The procedure for revising the program shall be that described in 40 CFR 123.13(b).

H. Aquifer Exemption

An Underground Source of Drinking Water (USDW) may be exempted for the purposes of a Class II injection well if it meets the criteria in 40 CFR 146.04.

Aquifers exempted by the Division and EPA under this Agreement shall only be applicable for the injection of fluids related to Class II activities defined in 40 CFR 146.05(b).

Aquifer exemptions made subsequent to the effective date of this Agreement shall not be effective until approved by the Administrator or Regional Administrator (if delegated) in writing.

After the effective date of this Agreement, an aquifer exemption must be in effect prior to or concurrent with

the issuance of a Class II permit for injection wells into that aquifer.

Aquifers which were proposed for exemption in the 1425 Demonstration and exempted are identified in Attachment #2. Any aquifer or portion of an aquifer denied an exemption may be resubmitted for consideration. At minimum, the resubmission should include either new data, new boundaries or other modification to the original proposal.

All exempted aquifers are subject to review by the Division and by EPA. For good reason and by mutual agreement between the Division and EPA, the exemption status of an aquifer can be withdrawn. The public participation procedures in the 1425 Demonstration shall be applied prior to the withdrawal of any exemption status.

1. EPA

Within 10 days after receipt of the information on the aquifer(s) proposed by the Division for exemption, EPA shall notify the Division if any additional information is deemed appropriate. EPA shall either approve or disapprove the aquifer exemption within 60 days after receipt of all appropriate information. Any disapproval by EPA shall state the reasons for the decision. Requests for additional information and final determinations on aquifer exemptions shall be in written form.

If the new aquifer proposed for exemption is a non-hydrocarbon bearing USDW, EPA will coordinate its public participation activities on aquifer exemptions with the Division's public participation activities during project review.

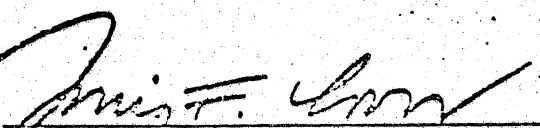
I. Other Agency Involvement

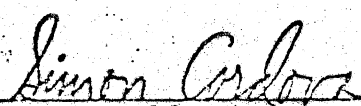
The Division shall administer the Class II program and maintain close cooperation with California's State Water Resources Control Board (SWRCB) and the Minerals Management Service.

J. Definitions

1. Class II well is defined in 40 CFR 146.05(b).
2. Aquifer is defined in 40 CFR 146.03 and 122.3.
3. Day in this Agreement is defined as a working day.

4. Underground Source of Drinking Water (USDW) is defined in 40 CFR 146.03 and 122.3.
5. 1425 Demonstration includes:
 - a. the Division's primacy application dated April, 1981;
 - b. the additional information provided by letter dated March, 1982; and
 - c. the clarifying information provided by letter dated September, 1982.


Sonia F. Crow
Regional Administrator
Environmental Protection Agency
Region 9

for 
M.G. Mefferd
State Oil and Gas Supervisor
California Division of Oil and Gas

Date

Sept. 29, 1982

Date

Sept. 28, 1982

Attachment 1

Annual Report Contents

At a minimum, the Annual Report shall include:

- a. an updated inventory;
 - b. a summary of surveillance programs including results of monitoring and mechanical integrity testing, the number of inspections conducted, the number of new wells, corrective actions ordered and witnessed, instances of wells out of compliance and their current status;
 - c. an account of all complaints reviewed by the Division and the actions taken;
 - d. results of the review of existing wells made during the year;
 - e. a summary and status of the enforcement actions taken;
 - f. number of emergency permits issued and current status; and
 - g. instances of variances and discretionary exemptions during the year.
- 11

Attachment 2

Exempted 1425 Demonstration Aquifers

All oil and gas producing aquifers identified in Volumes I, II, and III of the California Oil and Gas Fields submitted in the 1425 Demonstration dated April 20, 1981 are exempted.

In addition, the following aquifers are also exempted.

<u>DISTRICT</u>	<u>FIELD</u>	<u>FORMATION/ZONE</u>
2	Ramona	Pico
2	Oat Mountain	Undiff.
2	South Tapo Canyon	Pico
2	Simi	Sespe
2	San Ardo	Santa Margarita
3	San Ardo	Monterey "D" Sand
3	San Ardo	Monterey "E" Sand
3	Monroe Swell	Santa Margarita
4	Blackwell's Corner	Tumey
4	Kern Bluff	Kern River
4	Kern Front	Santa Margarita
4	Kern River	Chanac
4	Kern River	Santa Margarita
4	Mount Poso	Walker
4	Round Mountain	Olcese
4	Round Mountain	Walker
4	Buena Vista	Tulare
4	Kern Bluff	Vedder
4	Kern River	Vedder*
4	Mountain View	Kern River
4	Pleito	Chanac
4	Pleito	Kern River
4	Poso Creek	Santa Margarita
5	Coalinga	Santa Margarita
5	Coalinga	Etchegoin-Jacalitos
5	Guijarral Hills	Etchegoin-Jacalitos*
5	Helm	Tulare-Kern River
5	Riverdale	Pliocene
5	Turk Anticline	San Joaquin
6	Sutter Buttes	Quine*
	Gas	
6	Bunker Gas	Undiff.
6	Wild Goose	Undiff.

*Oil and/or gas producing

MEMORANDUM OF AGREEMENT
BETWEEN THE
STATE WATER RESOURCES CONTROL BOARD
AND THE
DEPARTMENT OF CONSERVATION
DIVISION OF OIL AND GAS

Purpose

The purpose of this Memorandum of Agreement (MOA) is to outline the procedures for reporting proposed oil, gas, and geothermal field discharges and for prescribing permit requirements. These procedures are intended to provide a coordinated approach resulting in a single permit satisfying the statutory obligations of both parties to this MOA. These procedures will ensure that construction or operation of oil, gas, and geothermal injection wells and surface disposal of waste water from oil and gas and geothermal production does not cause degradation of waters of the State of California.

General

Responsibilities of the Agencies

The Department of Conservation, Division of Oil and Gas (CDOG) has the statutory responsibility to prevent, as far as possible, damage to underground and surface waters suitable for irrigation or domestic purposes resulting from the drilling, operation, maintenance, or abandonment of oil, gas, and geothermal wells (Public Resources Code Sections 3106 and 3714). CDOG has an application to EPA which when approved will give CDOG additional authority and responsibility in the administration of wells in the Class II portion (injection of fluids related to oil and gas production) of the underground injection control program in California. That application was submitted in accordance with Section 1425(a) of the Safe Drinking Water Act.

The State Water Resources Control Board (SWRCB) and the nine California Regional Water Quality Control Boards (collectively SWRCB) have statutory responsibility to protect the waters of the State and to preserve all present and anticipated beneficial uses of those waters (Water Code, Division 7, Chapters 1 through 7).

Scope of Agreement

The following procedures have been formulated and adopted by the CDOG and SWRCB to (1) simplify reporting of proposed waste discharges by the oil, gas, and geothermal operators, (2) achieve coordination of activity, and (3) eliminate duplication of effort among the State agencies. As far as these agencies are concerned, the method of reporting proposed oil, gas, and geothermal underground injection and surface discharges will be uniform throughout the State. The attached maps show district and regional boundaries and office addresses.

The following procedures will not generally be applicable to injection wells or surface disposal methods used by operators to dispose of wastes other than produced water. Those discharges (e.g., scrubber wastes and refinery wastes) must be issued waste discharge requirements or waivers through the appropriate Regional Water Quality Control Board (Water Code, Division 7, Chapter 4). Such discharges will not be subject to regulation by CDOG unless the subject disposal well is within the administrative limits of an oil, gas, or geothermal field. In such case, the CDOG must also issue a permit for the well construction (Public Resources Code Sections 3008 and 3203). The conditions of this permit should be in agreement with the waste discharge requirements for this well.

The CDOG will notify the Regional Boards of all new operators in the State. The CDOG personnel shall report all pollution problems, including spills to the ground surface or surface streams, to the appropriate Regional Board.

Procedures

Underground Injection:

1. Application: Oil, gas, or geothermal operators must file an application for all proposed injection projects with the appropriate CDOG District office. The District office will forward a copy of the application to the appropriate Regional Board for its review and comment. If the Regional Board wishes to comment prior to the issuance of a draft permit for review, comments shall be received by CDOG within 14 days.
2. Review and Consultation: During the review of the application, the CDOG, the Regional Board and the State Board shall consult with one another and local agencies as necessary and may require the applicant to submit additional data as necessary to demonstrate that the proposed injection will not cause a water quality problem.
3. Permit Preparation and Issuance:
 - a. CDOG will prepare a draft permit, including monitoring requirements, for the injection in accordance with statutory obligations, furnishing a copy of the draft document to the appropriate Regional Board.
 - b. The Regional Board will have the opportunity to comment on the draft requirements during the public review period established pursuant to the Memorandum of Understanding (MOU) between the CDOG and the Environmental Protection Agency (EPA).

- c. The Regional Board shall determine whether or not the draft requirements provide protection to ground and surface waters having present or anticipated beneficial uses. If the draft requirements are not adequate, the Regional Board shall, within 30 days, propose conditions to CDOG which would provide protection. CDOG will not issue final requirements until Regional Board concerns have been satisfied.

If no response is received from the Regional Board by the end of the public comment period, the requirements will be presumed to be acceptable to the Regional Board.

CDOG will furnish a copy of the final requirements to the Regional Board.

Surface Discharge:

1. Application: The oil, gas, or geothermal operator shall file a Report of Waste Discharge with the appropriate Regional Board. No report need be filed when such a requirement is waived by the Regional Board pursuant to Water Code Section 13269.

When a Report of Waste Discharge is not adequate in the judgment of the Regional Board, the Board may require the applicant to supply additional information as it deems necessary. If a surface disposal site is within the administrative limits of an oil, gas, or geothermal field, the Regional Board shall send a copy of the Report of Waste Discharge to the CDOG for review and comment when the report is complete. If CDOG wishes to comment, the Regional Board should receive comments within 14 days to ensure consideration of these comments during the drafting of waste discharge requirements.

2. Preparation and Adoption of Waste Discharge Requirements:

- a. The Regional Board will prepare draft waste discharge requirements for the disposal of production waters by surface discharge. If a surface disposal site is within the administrative limits of an oil, gas, or geothermal field, a copy of the draft document shall be furnished to the appropriate CDOG District office.
- b. The CDOG shall determine whether or not the draft requirements fulfill CDOG's statutory obligations related to water quality. If the draft requirements are not adequate, the CDOG shall, within 30 days, propose conditions to the Regional Board which would meet these statutory obligations. The Regional Board will not issue final requirements until CDOG concerns have been satisfied.

If no response is received from CDOG by the end of the public comment period, the requirements will be presumed to be acceptable to CDOG. The Regional Board will furnish a copy of the final requirements to CDOG.

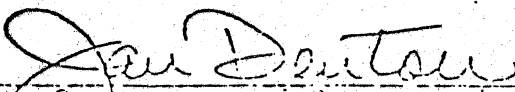
Enforcement Coordination

After construction, CDOG will notify the appropriate Regional Board of any pollution problems noticed during its inspection activities. The Regional Boards will notify CDOG of any suspected violations of CDOG requirements uncovered during the Regional Boards' inspection activities.

If a determination is made by CDOG or by the Regional Board or the SWRCB that an injection or surface disposal operation is violating the terms of its permit or is causing an unacceptable water quality problem, the permitting agency shall take any necessary actions to assure that compliance is achieved or that the practice causing water pollution is abated forthwith. If necessary, the permitting agency shall order work to be done and/or order operation to be halted. Enforcement actions involving both statutory authorities should be coordinated among the parties involved in this MOA but neither agency is precluded from taking independent enforcement action.

Modification of this Agreement

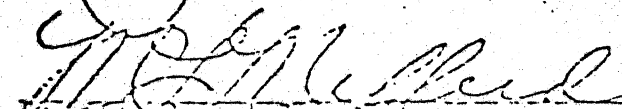
This agreement will be effective upon signature by the designated parties. The agreement may be modified upon the initiative of either party for the purpose of ensuring consistency with State or Federal statutes or regulations, or for any other purpose mutually agreed upon. Any such modifications must be in writing and must be signed by the Director of the Department of Conservation, the State Oil and Gas Supervisor, and the Chairwoman of the SWRCB.



State Department of Conservation

8-20-82

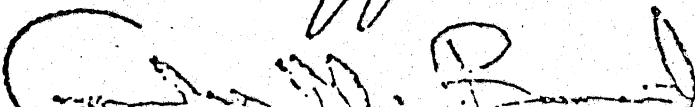
Date



State Oil and Gas Supervisor

8-20-1982

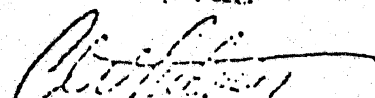
Date



Chairwoman, State Water Resources Control Board

8-24-82

Date

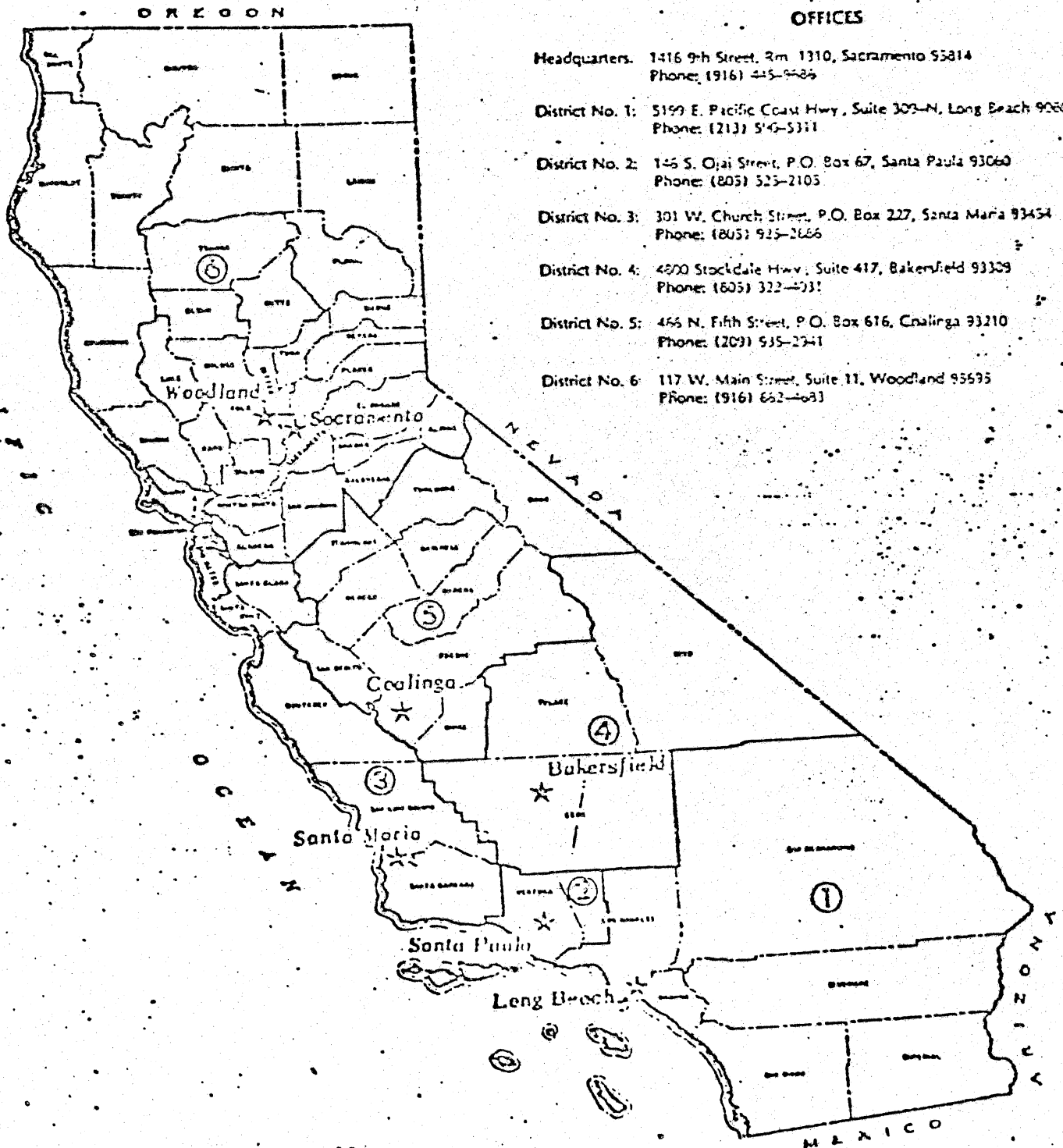


Executive Director, State Water Resources
Control Board

8-24-82

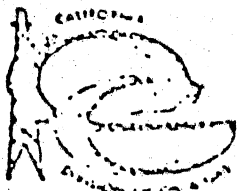
Date

OIL AND GAS DISTRICTS of the CALIFORNIA DIVISION OF OIL & GAS

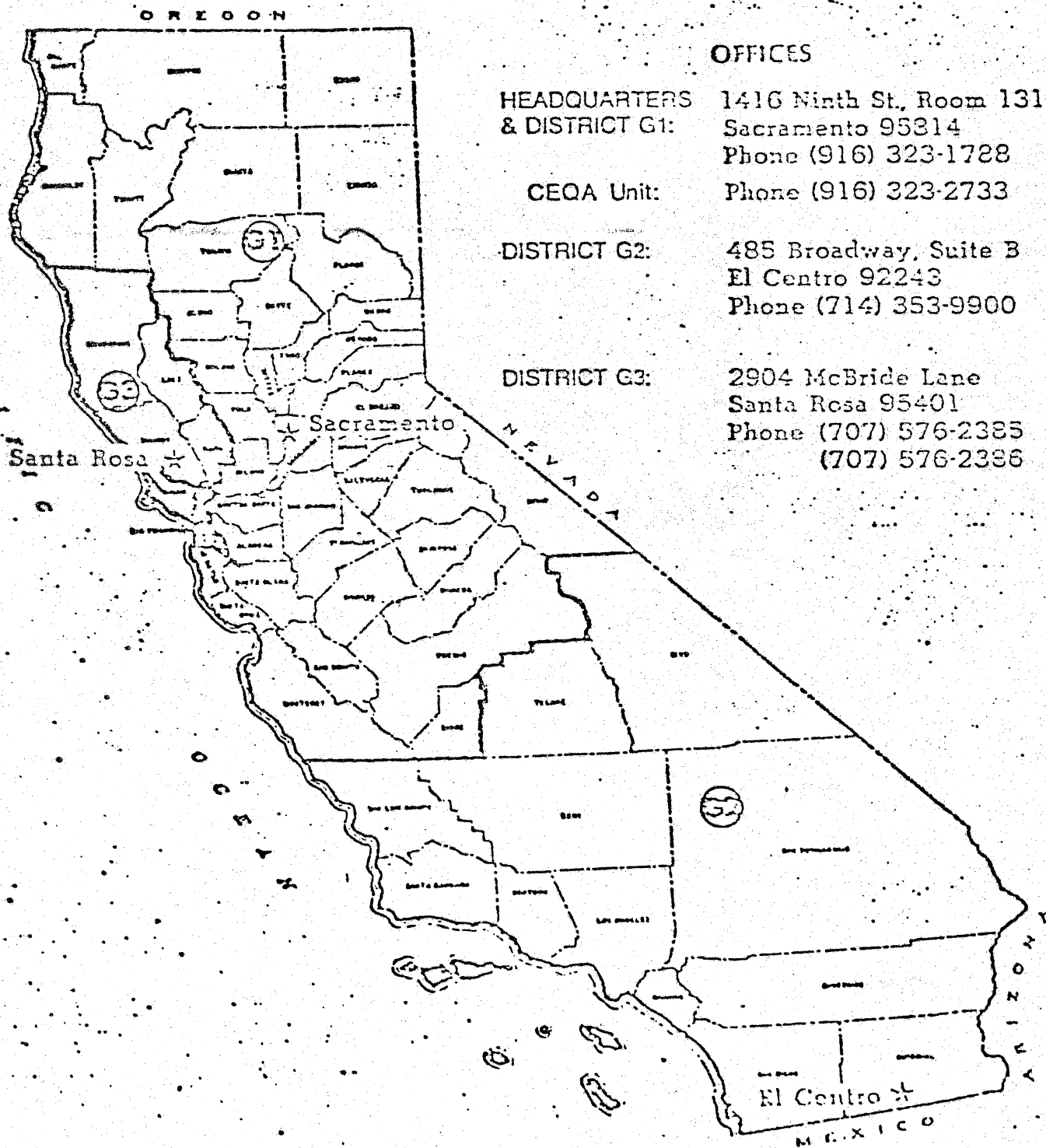


OFFICES

- Headquarters: 1416 9th Street, Rm. 1310, Sacramento 55814
Phone: (916) 445-9525
- District No. 1: 5199 E. Pacific Coast Hwy., Suite 309-N, Long Beach 90804
Phone: (213) 546-5311
- District No. 2: 146 S. Olaj Street, P.O. Box 67, Santa Paula 93060
Phone: (805) 525-2105
- District No. 3: 301 W. Church Street, P.O. Box 227, Santa Maria 93454
Phone: (805) 925-2666
- District No. 4: 4500 Stockdale Hwy., Suite 417, Bakersfield 93309
Phone: (805) 322-4331
- District No. 5: 466 N. Fifth Street, P.O. Box 616, Coalinga 93210
Phone: (209) 535-2341
- District No. 6: 117 W. Main Street, Suite 11, Woodland 95695
Phone: (916) 662-4631



of the
CALIFORNIA DIVISION OF OIL & GAS



OFFICES

HEADQUARTERS & DISTRICT G1: 1416 Ninth St., Room 1310
Sacramento 95314
Phone (916) 323-1728

CEQA Unit: Phone (916) 323-2733

DISTRICT G2: 485 Broadway, Suite B
El Centro 92243
Phone (714) 353-9900

DISTRICT G3: 2904 McBride Lane
Santa Rosa 95401
Phone (707) 576-2385
(707) 576-2386

CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARDS

NORTH COAST REGION (1)

1000 Coddington Center
Santa Rosa, California 95401
(707) 545-2620

SAN FRANCISCO BAY REGION (2)

1111 Jackson Street, Room 6040
Oakland, California 94607
(415) 464-1255

CENTRAL COAST REGION (3)

1122-A Laurel Lane
San Luis Obispo, California 93401
(805) 549-3147

LOS ANGELES REGION (4)

107 South Broadway, Room 4027
Los Angeles, California 90012
(213) 620-4460

CENTRAL VALLEY REGION (5)

3201 S Street
Sacramento, California 95816
(916) 445-0270

Fresno Branch Office
3374 East Shields Avenue
Fresno, California 93723
(209) 453-5115

Redding Branch Office
1815 Sacramento Street
Redding, California 96001
(916) 442-6376

LAHONTAN REGION (5)

2092 Lake Tahoe Boulevard
P. O. Box 14357
South Lake Tahoe, California 95702
(916) 544-3431

Victorville Branch Office
15371 Bonanza Road
Victorville, California 92392
(714) 245-6595

COLORADO RIVER BASIN REGION (7)

73-271 Highway 111, Suite 21
Palm Desert, California 92260
(714) 345-7491

SANTA ANA REGION (5)

6833 Indiana Avenue, Suite 1
Riverside, California 92506
(714) 634-9330

SAN DIEGO REGION (9)

6154 Mission Gorge Road, Suite 205
San Diego, California 92120
(714) 235-5114

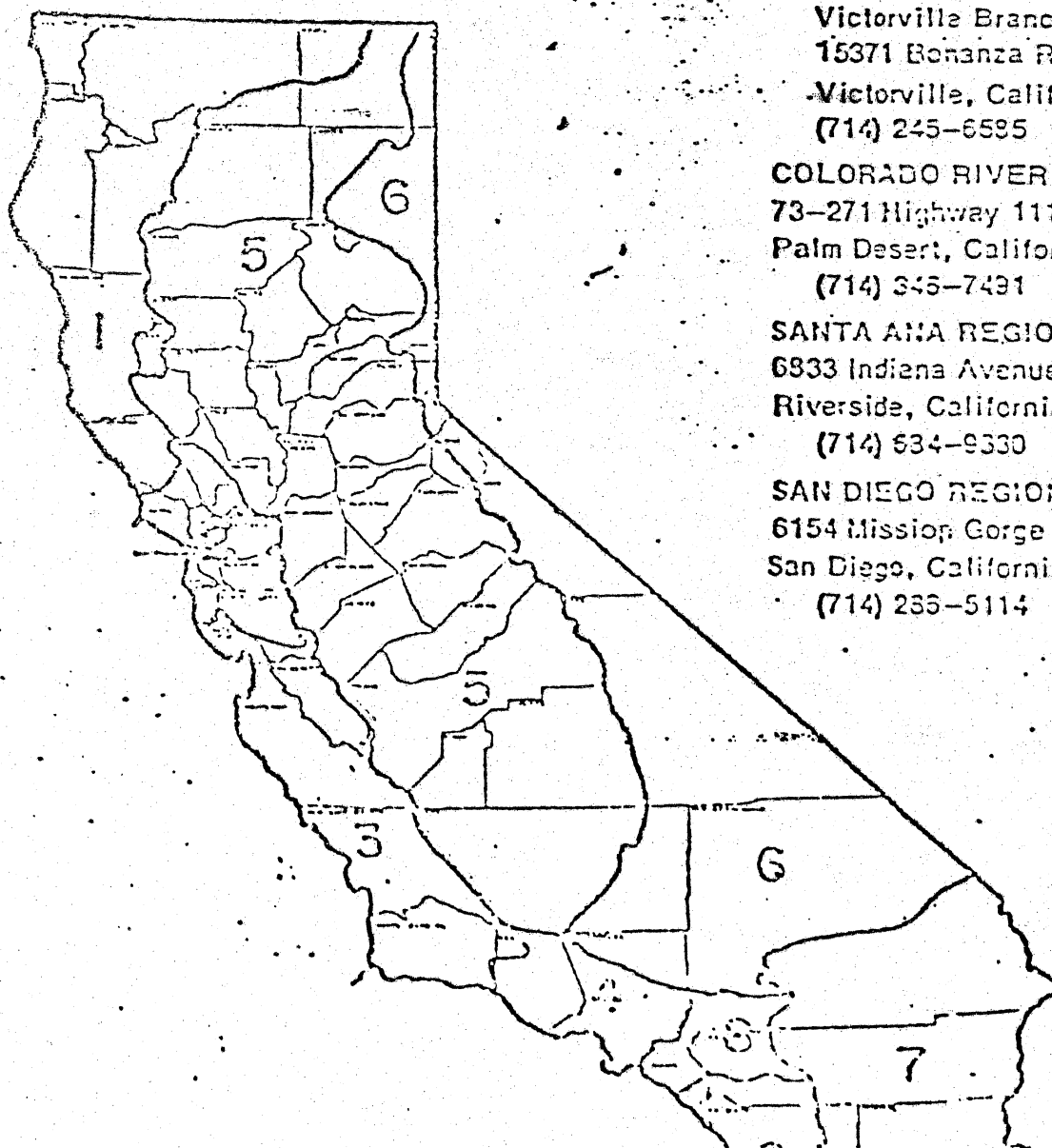


EXHIBIT "D" TO
WATER RESOURCES CONTROL BOARD
INTERAGENCY AGREEMENT NO. 2-118-225-0

ESTIMATED BUDGET

March 14, 1983 - June 30, 1984

Salaries and Wages

Salaries	\$57,466	
Staff Benefits	16,924	
Total		\$ 74,390

Operating Expenses and Equipment

General Expense	\$12,150*	
Printing	160	
Communications	3,040	
Postage	515	
Insurance	105	
Travel In-State	12,485	
Travel Out-of-State	1,000	
Training	515	
Facilities Operations	8,310	
Utilities	105	
Consolidated Data Centers	80	
Data Processing	90	
Equipment	25,000*	
Total		63,555
<u>Indirect Costs @ 24%</u>		<u>33,100*</u>
Total Expenditures		\$171,045

*One-time start-up costs include \$4,000 general expense, \$18,500 additional equipment, and \$5,400 indirect expenses.

CONTRACT ENCUMBERING ADDENDUM

1983-84

2-118-225-0

☒ NEW ☐ AMENDMENT ☐ RENEWAL OF

CONTRACT TOTAL

\$ 171,045.00

TERM

3/4/83

6/30/84

FROM

TO

CONTRACT NUMBER

CONTRACTOR

Department of Conservation

ADDRESS (STREET)

1416 9th Street, Room 1310

(CITY)

Sacramento

(STATE)

CA

(ZIP CODE)

95801

This agreement is hereby encumbered in the manner, and for the Fiscal Year indicated hereinbelow:

AMOUNT ENCUMBERED	APPROPRIATION		FUND	
\$ 113,262.00	SERF		SERF	
UNENCUMBERED BALANCE	ITEM	CHAPTER	STATUTES	FISCAL YEAR
\$	27.5		1983	1983-84
PROGRAM COST CODE NO.	FUNCTION			
120-11	(Fed. UIC. Grant.)			
	LINE ITEM ALLOTMENT			
	0225	382	120-11	\$113,262.00
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.			T.B.A. NO.	B.R. NO.
SIGNATURE OF ACCOUNTING OFFICER			DATE	

COMMENTS

CONTRACT CONTACT

Bruce Wormald

PHONE NO.

2-0203

1982-83	\$ 57,783
1983-84	\$113,262
TOTAL	\$171,045